

European *Social* dialogue

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Industrial relations & industrial change

1999
Highlights

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1. The first part of the paper is devoted to a discussion of the various methods which have been proposed for the determination of the rate of reaction of a substance with oxygen. The second part is devoted to a discussion of the various methods which have been proposed for the determination of the rate of reaction of a substance with hydrogen.

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Social Dialogue in 1999

Foreword

In 1999 the European social partners stepped up their activities and initiatives considerably and their work already clearly reflects the new opportunities offered and responsibilities assigned them under the Maastricht and Amsterdam Treaties. It also demonstrates their ability to turn to account the scope thus given them.

The robust, independent dialogue between social partners now extends beyond the cross-industry arena to the various sectors. So 1999 was a successful year for the sectoral dialogue, with the establishment of new sectoral social dialogue committees following on from the Commission Communication of May 1998 on adapting and promoting the Community social dialogue. Not everything went smoothly with the setting up of these committees, but the operation did strengthen the legitimacy of the sectoral social dialogue and also its effectiveness by giving a key role to the European organisations; 23 committees have been established so far.

In addition, the European social partners took action in the Community context on two main fronts: economic policy coordination, with macroeconomic dialogue launched for the first time between the social partners and the European Central Bank – an accomplishment resulting directly from the conclusions of the Cologne European Council – and continuing implementation of the European employment strategy. As regards the latter in particular, the Commission reiterated the call it made in the 1998 employment guidelines. The social partners at all levels have now been asked to formulate a framework comprising principles for modernising the organisation of work. They responded in part to this request by concluding in early January, at cross-industry level, an agreement on fixed-term employment contracts signed on 18 March in Warsaw, and at sectoral level, by negotiating an agreement on travelling staff in civil aviation signed in March 2000. Further initiatives should be taken to make the most of these new opportunities. On that tack the social partners were urged on many occasions throughout the year to present a joint work programme. Such a programme could constitute a significant contribution to the Lisbon and Porto European Councils.

The employment strategy was handled differently by the various sectors in accordance with their own special features. Each came up with its own response: in dealing with jobs and the changes faced, or working conditions, or fields such as equal opportunities and fundamental social rights.

This prolific activity was also reflected in an additional area of Community operations which provides a wealth of opportunities and challenges for the social partners: enlargement of the European Union. For two days, on 18 and 19 March, more than 200 social partners from the applicant countries and the Member States of the European Union discussed for the first time issues at stake in the social dialogue and the social partners' role in the enlargement process. In the wake of Warsaw, initiatives have burgeoned and numerous moves are being planned.

Enlargement has been taken into account by almost all the recently-established sectoral committees. They are all well aware of the potential of enlargement and the challenges it poses. The stage reached in their deliberations on the subject varies from sector to sector; some of them are already embarking on joint action.

Odile Quintin
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I. Activities at multisectoral level

A. Implementation of the Luxembourg strategy and the Cologne process

Discussions within the Social Dialogue Committee were devoted throughout the year to follow-up to and implementation of the Luxembourg European employment strategy and the draft European employment pact put forward by the German Presidency.

The social partners' participation in the Luxembourg process was given expression through conclusion in January of an agreement on fixed-term employment contracts; it was signed on 18 March in Warsaw and implemented via the Council Directive of 28 June 1999¹. On 11 May they adopted a joint declaration on the employment of people with disabilities. Subsequently, in accordance with their joint declaration at the Vienna Summit, they reviewed together the initiatives taken by the social partners in the

Member States relevant to employment, notably in the light of the balance achieved between flexibility and security; they will use practical experience as their point of departure in endeavouring to determine the factors of success.

The European employment pact is based on three pillars: macroeconomic dialogue aimed at improving the link between wage trends and monetary, budgetary and fiscal policy (Cologne process), pursuit and improvement of the coordinated employment strategy (Luxembourg process), and structural reform based on improving competitiveness and the operation of product, services and capital markets (Cardiff process).

It led to establishment of a **macroeconomic dialogue** in 1999. This dialogue is a

genuine innovation in the sense that, for the first time, a formal structure has been set up which enables the three main groups of independent macroeconomic policy players (governments, central banks and social partners) to exchange their points of view quite freely, in particular on the analysis of the situation and economic prospects.

In a joint declaration adopted on 2 June, the social partners stated their willingness to reinforce the practical procedures for macroeconomic dialogue on the occasion of discussions with the representatives of the Council, the Commission and the European Central Bank.

The first two meetings in the context of this dialogue were held on 29 October (technical level) and 8 November (political level).

B. Combating discrimination

The social partners' keener interest in the fight against discrimination resulted in the organisation of two seminars on the Commission's proposals based on **Article 13** of the Treaty and in action to follow up the compendium of good practice on the integration of disabled people into the labour market.

At a seminar on Article 13 of the Treaty held on 26 May in Brussels, the social partners held a wide-ranging debate with the Commission on the latter's proposals concerning non-discrimination. The purpose of the seminar was to garner the views and approaches of the social partners and find out about any initiatives. The social part-

ners will be associated in the implementation of the directives once adopted in accordance with their national traditions and practices.

On 16 December they took part in a workshop where company case studies were presented together with policies on implementation at the workplace in the various areas covered by the Commission proposals: social or ethnic origin, religion or belief, sexual orientation, age and disability. The seminar gave the social partners and also company representatives the opportunity to discuss the difficulties they face in dealing with discrimination and identify the

problems they could encounter in applying the directives once adopted.

At a conference in Cologne on 7 and 8 June the social partners' debates focused on one area covered by Article 13 of the Treaty: disability. This event provided an opportunity to draw attention to the compendium of good practice on the employment of people with disabilities which had been transmitted to the Vienna European Council in December 1998; they adopted a joint declaration which supplements the compendium and endeavours to draw lessons from the experience acquired.

C. Telework

The first discussion on the challenges involved in telework took place at a seminar on 9 June. The social partners have a key role to play in this field, in the spirit of the

conclusions of a formal, high-level meeting held in Vienna in December 1998 and of the follow-up to the Communication on the organisation of work. This subject has

aroused much interest among the social partners and their secretariats are pursuing their work in brainstorming sessions.

1. See 1998 Highlights.

D. Social protection and supplementary pensions

In its Communication on a concerted strategy for modernising social protection, the Commission urged the social partners to bring forward their contribution. At the Social Dialogue Committee meeting on 30 November, the social partners were consulted about their interest in and contribution

to this new cooperative approach. They affirmed their willingness to pursue discussions; the format has still to be determined.

At a seminar on supplementary pensions held on 17 November in Brussels, the social partners displayed strong interest in all the initiatives outlined in the Communication of

May 1999 "Towards a single market for supplementary pensions", especially those related to problems of transnational mobility. They also expressed their desire to be involved in the Pensions Forum which held its first meeting on 13 January 2000.

E. Observatory on Industrial Change

At the Social Dialogue Committee meeting on 30 November, the social partners exchanged views on the relevance of an Observatory on Industrial Change, its operating procedures and the role they

wished to play therein.

The Commission will be setting up this Observatory in response to the recommendations in the Gyllenhammar Report.

The social partners requested in par-

ticular that the Observatory take a sectoral approach in its work and take account of the effects of enlargement.

F. Standing Committee on Employment

1999 saw the first meeting of the reformed Standing Committee on Employment, following the 1998 Communication on the social dialogue, held on 26 April at the invitation of the German Presidency. The meeting was devoted to a search for consensus on the European employment pact and took stock of the

various contributions. The social partners were requested to make their own, separate contribution. Emphasis was also placed on the need for economic policy and labour market policy to go hand in hand and pursue the same goals.

The Committee held its second meeting on 11 November at the invitation of the

Finnish Presidency. The Committee's rules of procedure were adopted and discussions held on the autumn employment package comprising the draft joint report and guidelines for 2000, recommendations to the Member States and the draft Council decision on the Employment Committee.



II. Activities at sectoral level

So far 23 committees have been or are about to be set up following joint requests by the social partners in the different sectors; the most recent is the power industry, the social partners having submitted their request in December 1999.

Of these 23 committees, nine are joint committees, eleven, informal working parties and three, entirely new [culture (live performance), personal services (hair-dressing) and tanning].

The formation of these committees brought radical changes to the internal organisation of the joint committees set up from the 70s onwards which operated in sectors where common policies had been introduced. This occurred in particular in the case of transport, postal services and telecommunications whose activities slowed down or came to a halt in 1999 following the Commission's request to work in a different context, in particular by giving a key role to the European organisations.

The new setup brought to the fore difficulties with representativeness, both among the trade unions and the employers, but they were ultimately overcome. In the **postal services and telecommunications** industries, conflicts arose over the place of EUROFEDOP in the trade union delegation, but they have now been settled. In **civil aviation**, on the trade union side, representation of all interested parties was assured by including the European Cockpit Association (ECA) in the new committee.

The agreement recently signed in the civil aviation industry on working time for travelling staff opened the door to establishment of a sectoral social dialogue committee. In the **insurance** industry, the committee's activities came to a standstill on account of the employers' major doubts over their capacity to negotiate. In the case of the new committees, for example **culture** (live performance), working time is an essential component of their deliberations as they need to settle into their role and define the scope of their activities. Other sectors which have not yet decided to initiate formal dialogue are working jointly nevertheless: for example, printing, gas and local public services.

A. Employment and change

The sectoral responses to employment and change have taken different forms: they can all be integrated into the European employment strategy; some place more stress on the Cardiff process, others on the Luxembourg process and others on the Cologne process.

These responses fall under three headings:

1. MONITORING CHANGE
2. THE EXTERNAL ECONOMIC ENVIRONMENT
3. INTERNAL RESPONSES, NOTABLY THROUGH TRAINING

1. Monitoring change

Studies and surveys were conducted in response to the concerns of social partners in many sectors about the changes they have to tackle; there were also more general requests made to the Commission to introduce monitoring tools.

Accordingly, the sectoral social partners welcomed the Commission's proposal to set up an Observatory on industrial change. The Observatory could represent a key tool for the sectors.

In its declaration of 7 December, the **tanning** industry supported its establishment, stating that it should take account of the sectoral and regional aspects of change.

Similarly, on 20 December, the social partners of the **textile and clothing** industry adopted a joint declaration on the sectoral dimension of the Observatory on industrial change; they considered that it should help to boost competitiveness, notably by identifying and forecasting skill, training and employment needs.

The **printing** industry is faced with numerous changes: technological development, internationalisation, alterations in the balance of power between customers and suppliers. Aiming to improve support for development and reinforcement of this sector, the social partners were associated in the preparation of a European study carried

out by the Fraunhofer Institute at the Commission's request. The social partners will use results of this recently-completed study as the basis for a conference and a number of meetings organised for the purpose of exchanging views on the approaches envisaged with a view to modernising European printing firms.

At a conference in November, the **banking** industry social partners discussed a study on non-bank competition which also covered new bank management methods. Competition from retailers, car manufacturers and public utility undertakings offering financial products could have a very significant impact on employment and working conditions.

The round tables organised in the **telecommunications** industry in 1998, in particular on industrial change, continued in 1999. The last round table was held on 13 September in Luxembourg. It highlighted how vital it is for the social partners to embark on a genuine process of anticipation and preparation for the technological and structural changes which will affect workers and companies alike.

Lastly, the challenges posed by the liberalisation of **electricity** markets prompted the social partners to organise a seminar in Brussels in January for initial discussions on the subject. A study has been launched on the impact of these changes on employment.

2. The external economic environment

In the face of this ongoing change, the social partners of various industries have addressed on many occasions to the public authorities and to the Commission requests to adjust the economic environment in which they operate for they can have no direct effect on, for example, taxes, labour costs and external trade policy.

The economic crises in Russia and Asia and the protectionism practised by several third countries have affected export outlets for the **footwear** industry so the social partners submitted a joint multi-annual, horizontal action plan for competitiveness and employment. It included a request to the Commission to have recourse to WTO procedures to bring to an end the numerous direct and indirect import restrictions that hit European exporters. Certain aspects of this plan are connected with current Commission work; it is now coming into effect.

In the context of a memorandum on the development of cleaning services for individuals and households, the **cleaning** industry social partners decided to contribute to the employment strategy in the form of national round tables on new sources of employment; they called on the authorities to develop systems to boost

demand-side affordability. Such systems will be assessed during 2000.

To maintain jobs in labour-intensive branches and industries, the **textile** sector launched a pilot feasibility project on alternative social security funding. The aim is to raise the public authorities' awareness of this project through seminars to disseminate information. The social partners are seeking trans-industry cooperation.

The hotel and restaurant, sugar and tanning sectors expressed their concerns about employment in joint declarations. In their declaration of 3 May, the social partners of the **hotel and restaurant** sector expressed their desire to help promote employment in their industry by proposing job-creation measures: reducing the tax burden on companies, alleviating non-wage costs, negotiating to seek new forms of flexibility, adopting measures to facilitate worker mobility within the Union.

In the context of possible amendments to the common organisation of the market in **sugar** and the ongoing WTO negotiations, the industry's social partners adopted a joint declaration on the common organisation of the market in sugar and its importance to employment.

The social partners in the **tanning** sector adopted a joint declaration on 7 December which provides in particular for an action plan to promote competitiveness and employment.

3. Internal responses, notably through training

Both for the purposes of dealing with change and for creating new activities, the social partners attached particular importance to vocational training in their social dialogues. They thus became, in their respective sectors, major players in training at European level.

The most advanced sector in this field is **agriculture** where initiatives could result in certification of qualifications.

The social partners in agriculture decided to work on the ARE (agriculture, regions, employment) project financed by the European Social Fund and comprising three components: a series of six seminars in the Member States, a social partner white paper and a final conference.

The project establishes a link between employment policy and training policy in agriculture at European level and enables the social partners to assess the possibilities for an advanced training policy in the regions of Europe with a view to creating and protecting jobs.

Three topics were covered at the six seminars and final conference: funding for vocational and further training, innovative training practices, and possible approaches

with a view to an agreement on the certification of individual qualifications. Other subjects were not neglected, such as the different vocational training systems and structures in the Member States, organic production and farm tourism, and new methods of work organisation.

A first draft of the white paper was discussed at the final conference held on 16 and 17 December in Bonn. This draft included: an overview of vocational training systems in the European Union, an assessment of the Strasbourg Forum on further training in agriculture (June 1998), the link with other training projects and a chapter on the overall positions of GEOPA/COPA and EFA. A short report will be added on the activities of the sectoral dialogue committee. The final version of the white paper will be presented at the employment conference in Nice in 2000.

The most important outcomes of the project were:

- The social partners have identified the need for a European certification scheme for individual vocational qualifications with a view to improving worker mobility and also transparency on the labour market.
- The results of the ARE project will be integrated into the work of the sectoral dialogue committee in 2000. The social partners will commence negotiations on certification of qualifications on the basis of Article 139(2) of the Treaty.
- Development of a comprehensive employment strategy for farming cannot be restricted to vocational training. Hence the proposal for a major conference on employment in Nice in April 2000; a whole range of subjects is to be covered, including labour market policy, social security systems and lifelong learning.
- The social partners will develop new working methods within the sectoral dialogue committee to improve efficiency and performance.

In other industries, training initiatives were launched by ad hoc working parties.

Among the working parties set up in the **fisheries** industry, the vocational training group launched two projects partly financed by the European Social Fund: the first consists of a forum for the mutual recognition of certificates in the sea-fishing sector in Europe; the second concerns the establishment of a European network for fisheries training and employment (REFOPE). A feasibility study on the creation of this network is under way.

The forum will be a comprehensive meeting of the social partners, representatives of the Commission, national authorities and training institutions to be held in 2000 at Concarneau, Brittany. The Commission

will present the system for the mutual recognition of certificates at European level and the Member States will describe national administrative practices. The social partners will also outline the results of the questionnaire they drew up.

A working party has also been set up in the **construction** industry; it is assessing the activities of the Commission departments in this area together with those of CEDEFOP and other promoters in the Member States. In addition, a joint social partner study on future priorities in terms of worker qualifications and skills in the industry has been completed and disseminated. This study brings major added value as it provides information on the correspondence of qualifications and the industry's needs. The working method used by the researchers is sound and could be transferred to other industries.

Other sectors preferred to organise very practical schemes under the European Social Fund (ESF) or the Leonardo programme for large-scale dissemination, notably the **distributive trades** where the social partners launched a scheme for training in electronic commerce jointly financed by the ESF. Almost all the national affiliates are taking part.

In the **cleaning** industry, work on the three projects commenced in 1998 continued throughout the year: translation and dissemination of a training kit for cleaners, and guides to training for cleaners working in the home and to training in health and safety. These last two projects will be completed in 2000.

In **personal services** (hairdressing), a Leonardo project has elaborated guidelines for the sector on vocational training and drawn up definitions for certificates corresponding to different levels of qualifications and training. The social partners have embarked upon a follow-up project with the aim of informing all interested parties in the Member States about application of the results attained. A second Leonardo project on in-service training has also been launched. A European survey is in hand on future requirements and trends in vocational training and in the employment field in general.

In **private security**, a scheme was finalised under the Leonardo programme for training in basic guarding. It will be assessed and disseminated widely.

In the **sea transport** sector, in the wake of their agreement on the adaptation of working time concluded in 1998, the social partners are considering new initiatives they could take on employment and training with a view to contributing to a Commission communication on the subject.

B. Working conditions

Although employment, change and training are key areas of the sectoral social partners' activities, they also attach the utmost importance to working conditions. Moreover, it is in that field that their powers and independence are most explicit.

Throughout 1999, the social partners conducted negotiations on **working time for mobile staff** in the **civil aviation** industry. Their agreement was signed on 22 March 2000. They have agreed to limit annual working time to 2 000 hours and flying time to 900 hours. Following the agreements in sea transport and railways, this is the third agreement of its kind in the transport industry and, following the agreement in agriculture, the fourth in the sectoral field.

1999 was a pivotal year for the social partners in **railways**; they pressed on with their work in the wake of the agreement concluded in 1998, deciding to implement a work programme based on the employment guidelines, notably under the employability and adaptability pillars.

In the context of implementation of the rules laid down in Directive 96/71/EC on the posting of workers, the social partners in the **construction** industry started a project for a data base on posting containing all related legal provisions and bilateral agreements towards the end of 1999.

Given the diversity of working conditions, many sectors commenced work on comparative data bases. In the building industry, this work is directly connected with the activity relating to the posting of workers. This type of data base should represent an important tool for the social partners in future work.

Working conditions, including the organisation of work, represent all in all for the social partners a key factor in the quality and productivity of work.

The **private security** sector decided to focus on concern for quality in a practical project, a handbook entitled "Selecting best value: a manual for public authorities awarding contracts for guarding and security services". This handbook is of special importance to the organisation of work and the competitiveness of companies.

It is intended to help awarding authorities anxious to select providers of security services whose bids combine quality and a competitive price instead of accepting the lowest bid. It aims to provide awarding authorities with a tool which can defend users' interests by better defining the type and location of security services they need. A precise definition of their own requirements will enable them subsequently to select a tenderer, not only on the basis of

competitive price, but also in the light of knowhow and ability to provide reliable, high-quality service. By signing a joint text on this subject, the social partners want to raise awareness among public contract clients, that is European and national public authorities, by informing them of the benefits that a more quality-focused selection can generate, not only for themselves as clients, but also, in the longer term, for the private security industry as a whole.

The numerous initiatives taken by the social partners in private security on working conditions have also focused on health and safety.

In the **sugar** industry, the social partners set up a highly functional project on training in active/interactive safety in sugar businesses. The scheme concerns all staff of the undertakings from management to operators and aims to reduce the number of accidents by influencing behaviour. So far some 250 Leonardo kits have been distributed in 11 languages to companies in the 15 Member States. A status report on use of the kits will be prepared during the second half of 2000.

C. Combating discrimination and equal opportunities

Postal services is so far the only sector which has expressed its concern about the various areas of discrimination covered by Article 13 of the Treaty. A working group has recently embarked on preparation of a compendium of best practice on the subject.

The working parties in the **distributive trades** are preparing a joint declaration on the fight against racism and xenophobia.

The **electricity** sector organised a seminar which included the subject of equal opportunities for men and women.

Although no social dialogue has been organised in **public services**, a seminar on equal opportunities was organised in March 1999.

D. Codes of conduct and social labels

The question of fundamental social rights continued to concern in particular the distributive trades, footwear, and textile and clothing sectors. A newcomer to the social dialogue, the **tanning** industry, has concluded an agreement in principle in this area.

In the **distributive trades** sector, the social partners signed an agreement on fundamental rights and principles at work. The text reiterates the principles of the Declaration of the International Labour

Organisation (ILO) of 18 June 1998 on fundamental rights and principles at work. EuroCommerce and Euro-FIET recommend their members actively to encourage companies and workers of the European commerce sector to comply, wherever possible, with the fundamental rights embodied in the ILO Conventions² and also to develop their own codes of conduct for their business relations with third countries. The agreement refers to elimination of all forms of forced or compulsory labour, effective abolition of child labour, elimination of discrimination in respect of employment and occupation, and freedom of association and effective recognition of the right to collective bargaining.

December 1999 saw the official launch, with European Commission support, of the European Initiative for Ethical Production and Consumption. This is a quadripartite European forum based on partnership at European level between the main socio-economic players wishing to promote ethical production and consumption (employers, trade unions, NGOs, public organisations). Its first aim will be to create a network covering all the information and parties involved.

In the **footwear** industry, the sectoral dialogue committee is preparing to extend the code of conduct, limited hitherto to child labour, to all fundamental rights.

In **textiles and clothing**, application of the code of conduct on fundamental rights is being extended to the CEECs.

2. ILO Conventions 29 and 105 on forced labour, 138 on child labour, 111 on non-discrimination in respect of employment, and 87 and 98 on freedom of association and collective bargaining.

III. Activities at intersectoral level

For several years now the Commission has been organising conferences for human resources directors of big companies in close cooperation with the national employers' confederations. These conferences are a very suitable forum for high-level, informal exchanges of views between human resources directors and

the Commission. They thus play an important role in disseminating "successful experiences" which may then be taken over by the social partners at appropriate social dialogue levels.

The 1999 Conference was held in Stockholm on the subject of "older workers in Europe: productivity and employabili-

ty". The need for a partnership approach was acknowledged in aiming to reconcile age and productivity (although early retirement schemes will have to be revised), develop training and introduce flexible working methods. The partnership message was reiterated in the 12 company case studies presented.

IV. 1999: The social partners prepare for enlargement

A. A historic event at cross-industry level

A first conference was held on 18 and 19 March in Warsaw, at the social partners' request and with Commission support, on the social partners' role in the enlargement process. Its purpose was to launch a wide-ranging debate on the challenges the social dialogue raises for the applicant countries: the social chapter of the Amsterdam Treaty assigns the social partners increased powers and responsibilities; the framework for consultation and negotiation it has established enables them to play a key part in the development of the European social model, while the employment title of the Treaty and the European strategy launched at the Luxembourg Summit open up new areas for action by the social partners. The message conveyed to the social partners of the applicant countries was clear: they need to develop their social dialogue structures and activities to prepare to meet these new challenges. Trade union and employers' organisations have to be strong, representative and independent, capable of negotiating and finding a balance between flexibility and security.

An additional aim of the conference was to enable the social partners of the applicant countries to discuss for the first time with their EU colleagues the various roles they will be called upon to play in the enlargement process: firstly, in the negotiation process now in hand between their governments and the EC, notably on taking over the body of existing Community rules, and secondly on the ground, in preparing companies and economic and social players for application of the various components of the Community *acquis*.

An important joint declaration was adopted at the conference: the social partners reaffirmed that the social dialogue and participation by trade union and employers' organisations are vital to the success of the process of reform and preparation for enlargement to the applicant countries.

Building on the success of Warsaw, the social partners launched a series of initiatives, both joint and individual. They included the joint UNICE, ETUC, CEEP project entitled "Social dialogue and consultation in the applicant countries, status and

prospects", submitted to the European Commission at the end of the year. It outlines consultation and social dialogue practices and systems (tripartite and bipartite) in the applicant countries.

The European social partner organisations also stepped up individual initiatives. ETUC set up a reflection group on "Central and Eastern Europe in EU enterprises' strategy for industrial restructuring and relocation". The European employers accepted a proposal from the Cypriot employers to organise in April 2000 in Nicosia the fourth employers' round table with the participation of employers' organisations from the applicant countries and the Member States of the European Union. The third round table was held in Stockholm in April 1999 at the initiative of the Swedish Employers' Federation; it dealt with health and safety and equal opportunities for men and women.

On 2 and 3 December CEEP organised a seminar for the purpose of assessing, with the employers of the applicant countries, problems and challenges faced by public

undertakings and undertakings of general interest and also steps to be taken to improve social dialogue and employers'

representativeness in these sectors. It was subsequently decided to pursue and extend CEEP's activities in this area with

additional proposals for projects and activities involving the applicant countries.

B. At sectoral level: first encouraging initiatives

Deliberations on enlargement started up in almost all sectors. The progress made varied from sector to sector.

In construction, for example, the catalyst was realisation of the fact that CEEC workers constitute a significant labour market resource for the industry. In rail, road and inland waterways, questions about enlargement and its repercussions on the transport industry took priority. The forthcoming negotiations in the inland waterways sector fall into this context as does the working party on social dumping planned for the road transport sector in 2000. The railway industry is also commencing deliberations in the light of problems of competition and opening-up of markets.

Other sectors are trying to single out their counterparts. In private security, a general joint declaration was adopted in 1999 on the role of the industry and the social partners in the future enlargement of the European Union and a project was subsequently launched with a view to identifying the partners on both sides. The

cleaning industry prepared a similar project and negotiations are in progress on a joint text along the lines of the private security declaration. These moves towards identification and joint reflection have sometimes been made by trade unions alone; for example, in the hotel and restaurant sector where ECF-IUF organised a seminar in May with participation of the industry's Hungarian trade unions and the Commission. In the banking industry, moreover, a Euro-FIET conference on collective bargaining in the European Union, bank privatisation and changes in the industry, held in June in Prague and attended by trade union representatives from six CEEC countries, opened the way to preparation of a joint social partner follow-up project in 2000.

In the distributive trades, textiles and footwear, preliminary deliberations gave way to action. In the distributive trades, two round tables were held in 1999 for the social partners of the European Union and the CEECs in the Czech Republic and

Poland. They followed up those organised in Estonia and Hungary in 1998; three more will be held in 2000 in Bulgaria, Slovakia and Latvia. For the first time, the social partners of the European Union and those of the applicant countries exchanged information and became conscious of their common interests. In the textile industry, implementation of the code of conduct on fundamental rights adopted in 1997 is being extended to the CEECs. This is a key initiative in organisation and reinforcement of the social dialogue in the CEECs. The social partners of the footwear sector plan to organise a seminar on codes of conduct with their counterparts from the applicant countries in 2000.

Lastly, many industries have expressed their desire for observers from the applicant countries to attend their committees' plenary meetings. That would provide a means of bringing home to the social partners of the applicant countries the significance of the social dialogue at European Union level.

ANNEXES

I. European social partners' declaration to the Cologne European Council

**Union of Industrial and Employers' Confederations of Europe
European Centre of Enterprises with Public Participation and of Enterprises
of General Economic Interest
European Trade Union Confederation**

1 In view of their deep concern with the high level and persistence of unemployment in Europe, UNICE/UEAPME, CEEP and the ETUC have consistently supported the development of an integrated and co-ordinated European employment strategy. They accordingly welcome the reaffirmation by the Vienna European Council in December 1998 that employment is the top priority of the European Union.

2 The Vienna Summit also asked that a report be prepared for the Cologne Council (June 1999) on the development of a European Employment Pact, and called for "increased involvement and responsibility of the social partners".

3 The European social partners can broadly agree with the proposals submitted by the German presidency, and in particular that the Cologne summit should aim to lay the foundations for a process which has three objectives:

- to improve the Luxembourg employment strategy and its implementation,
- to improve competitiveness and the functioning of goods, services and capital markets in line with the June 1998 Cardiff summit conclusions,
- to promote growth and employment while maintaining price stability, through good

interaction between budgetary policy, monetary policy and wage developments at the macroeconomic level.

4 With regard to their involvement in the Luxembourg employment process, the European social partners have recently concluded a framework agreement on fixed-term contracts. They have adopted a joint declaration on the employment of disabled workers. They are examining together initiatives taken by the social partners in the Member States, particularly in the light of the balances struck between flexibility and security, and starting from these practical experiences they will seek to identify factors for success in time for the December 1999 review in Helsinki. And currently they are identifying further themes for discussion within the social dialogue.

5 With regard to the Cardiff structural reform process, the European social partners recognise that the issues covered are important for competitiveness and employment, and trust therefore that in the future they will be involved in its development.

6 With regard to the proposed macroeconomic process, the European social partners stress that the autonomy of each of the parties concerned must be respected, and that

the objective should be to exchange information - not to enter into binding commitments - in order to ensure that each party, in deciding its own actions, is in a position to take account of the thinking and intentions of the other parties.

7 The European social partners stand ready to discuss with representatives of Member States, the Council, the Commission and the European Central Bank the practical modalities of the proposed macroeconomic process.

8 The European social partners are conscious of the need to promote coherence between these employment, structural reform and macroeconomic processes. Accordingly, they welcome the Council Decision that the Standing Committee on Employment should be a forum for continuous dialogue, concertation and consultation between the Council, Commission and the social partners on the co-ordinated employment strategy, taking into account the economic and social objectives of the Community as reflected in both the Employment Guidelines and the Broad Economic Policy Guidelines.

2 June 1999

2. Declaration of the social partners on the employment of people with disabilities

**Union of Industrial and Employers' Confederations of Europe
European Centre of Enterprises with Public Participation and of Enterprises
of General Economic Interest
European Trade Union Confederation**

Preamble

UNICE/UEAPME, CEEP and the ETUC fully recognise the challenge of improving employment opportunities for people with disabilities on the open labour market. As representatives of employers and workers at European level these organisations would like to make a contribution to promoting the occupational integration of people with disabilities in Europe.

In 1997, the social partners undertook to collect examples of good practices adopted by companies to improve integration and retaining of people with disabilities. They gave preference to examples of partnership initiatives, though they did not exclude unilateral initiatives taken by employers or trade unions. The result of this exercise was a collection of case studies from the open labour market, involving companies of all sizes throughout the European Union in various sectors of activity.

The ETUC, CEEP and UNICE/UEAPME addressed their compendium on the employment of people with disabilities to the European summit in Vienna in December 1998. The social partners believe including the promotion of employment of people with disabilities in the employment guidelines is the right approach. This declaration supplements the collection of case studies and attempts to draw some lessons from the experience gained on this occasion. By identifying solutions to the challenges posed to both employees and employers, the social partners intend to make a useful contribution to the debate, thus expressing their commitment to the occupational integration of people with disabilities.

Promoting equal opportunities for people with disabilities

The ETUC, CEEP and UNICE/UEAPME believe that an equal approach is the right path to follow in order to improve the employment opportunities of people with disabilities in the open labour market. Discrimination based on factors which are irrelevant to the task in question is socially unacceptable and economically inappropriate. It is detrimental to the individ-

ual concerned, to good work relations and to the efficiency of the company.

Emphasising ability, not disability

The determinant factor for a person's success on the labour market is their ability, whether he/she is disabled or not. Selection based on abilities avoids problems related to preferential treatment for one or other group of employees.

In the first place, the emphasis on an individual's skills makes it possible to improve the opportunities of developing their potential and facilitates their acceptance and integration into the working environment. Furthermore, only a recruitment policy based on skills can improve a company's competitiveness and its capacity to create jobs.

Promoting the employment of people with disabilities: a positive factor for the company

Good employment practices can contribute to the economic success of a company. Through actively promoting the employment of people with disabilities, companies can develop previously unexploited resources and increase their potential for innovation.

Increased awareness and a greater understanding of disability in companies may lead to the development and marketing of products and services which are better suited to the needs of consumers, including consumers with disabilities. The latter represent a diversified market of more than 30 million people Europe-wide. The participation of employees with disabilities in the development of these products and services can favour the emergence of new markets.

Improving work relations by taking account of disability questions

Companies with a high level of awareness of disability are better equipped to respond to the needs of disabled employees. Taking these needs into account allows the employees concerned to carry out their tasks and duties more successfully. Employing people with disabilities can thus bring added value to the company and the staff as a whole.

Diversified approaches require made-to-measure solutions

The definition of disability varies considerably from one European country to another and reflects the diversity of social and cultural approaches to the issue. For this reason, the legal framework and integration policies for people with disabilities at the workplace also vary from one Member State to another. This diversity is important to ensure that policies are suited to the needs of each individual and to the cultural, social and economic environment.

From the point of view of employment, a number of factors must be taken into consideration.

- Firstly, disability comes in many forms. This alone means that there must be a variety of specific, personalised measures, which is incompatible with a policy of "categorisation".
- Secondly, companies which employ people with disabilities range in size from micro-enterprises to large businesses. The size of the business may have a significant impact on the kind of obstacles encountered and the solutions given to encourage the inclusion of people with disabilities in the workplace.
- Thirdly, the nature of the sector and the occupation also influence what measures can and should be taken, in matching the ability of the individual with the specifics of the task.

The wealth of practices in this field reflects the diversity of situations. In order to facilitate awareness of the challenges and opportunities linked to the employment of people with disabilities, it is important to disseminate information and encourage exchange at European level.

Encouraging employment by acting outside the workplace

Many aspects of the physical and cultural environment outside the workplace affect the chances of people with disabilities gaining employment. Policies aimed at removing societal barriers for people with disabilities are needed.

For example,

- The school environment is not always adequate for children with disabilities, creating problems for them in later life. Without access to equal levels of education, the aspirations and employability of the disabled adult are fundamentally impaired.
- Means of transport which are unsuitable for a considerable proportion of people with disabilities are a major obstacle to their inclusion in the labour market and in society.
- The architectural design of the physical environment, particularly residential accommodation, public buildings and workplaces, has a major impact on the occupational integration of people with disabilities.
- Attitudes and prejudices with regard to disability, notably in public opinion and the media, influence disabled persons' perception of their own abilities and the way they are perceived by employers, work colleagues, the professions, service providers and customers.

The measures that need to be taken involve various players whose respective responsibilities vary depending on their field of action. However, dialogue between these various stakeholders, public authorities, non-governmental organisations

and social partners is essential to put in place appropriate and effective policies and to bring an end to prejudice and discrimination.

Recommendations for the employment of people with disabilities

To improve employment opportunities for disabled people in Europe, CEEP, UNICE/UEAPME and the ETUC recommend that:

- employers envisage developing equal opportunity policies for people with disabilities and make these policies known to all management and employees, with particular emphasis on raising the awareness of recruitment and human resources;
- trade unions endeavour to examine disability issues with their members and develop equal opportunity policies in this area.

The social partners, at the appropriate level, will seek to promote among their members equal opportunity policies in favour of persons with disabilities taking account of the following elements:

- make known when recruitment notices are published that candidates with disabilities will be considered solely on the basis of their abilities;
- ensure that selection and recruitment procedures are not discriminatory and allow

disabled people to apply and take part in the recruitment process;

- ensure that career possibilities are open to disabled employees on the same basis as to other staff members, according to their abilities and potential, and that employees with disabilities have equal access to training;
- offer support to employees who become disabled so that they can keep their position or find one which corresponds to their experience and abilities;
- ensure that the implementation of the policies adopted is followed up and evaluated.

UNICE/UEAPME, CEEP and the ETUC invite the public authorities to:

- take account of the needs of disabled people in an integrated way in order to create a culture of inclusion rather than separation;
- encourage the various players whose responsibilities have an impact on the employability of people with disabilities to work together and make concerted efforts to improving effectively the physical, educational and cultural environment of people with disabilities;
- publicise the wide range of innovations in this area and encourage their exchange across Europe.

11 May 1999

3. Joint declaration by the social partners in the tanning sector, Cotance and the European Trade Union Federation for the Textile, Clothing and Leather Industries (ETUF:TCL)

Declaration concerning, among other things, training requirements in the context of modernising the organisation of work, improving the image of the sector and putting in place the Observatory on industrial change

At the European-level meeting of the Sectoral Dialogue Committee on 7 December 1999, the social partners in the tanning sector (leather industry) focused their attention in particular on training needs and the implementation of the Gyllenhammar report on the economic and social implications of industrial change.

The Committee considers that analysis and identification of changing needs as regards training in the context of the modernisation of work organisation and the recruitment of skilled workers can make a definite contribution towards enhancing the sector's image, as well as increasing competitiveness and employment.

The Committee notes the commitment of the social partners, Cotance and ETUF:TCL, to carry out a joint study into what training needs have changed, and in what way. Given that the funds available are limited, the study will be carried out in stages.

An initial, preparatory phase will be carried out by employers' and employees' organisations at national level, with the European secretariats responsible for overall coordination. It will take as its basis national reports from six countries. The social partners will apply for co-financing from the European Commission's Employment and Social Affairs DG. The Committee will be kept informed about the implementation and follow-up to the study.

An in-depth analysis of training needs should then be possible in the context of setting up the Observatory on industrial change.

The Committee acknowledges the preparatory work carried out by the

European Commission concerning the Observatory, and considers that the Observatory should in particular take into account the sectoral and regional implications of these changes by setting up "specific workshops".

The social partners are naturally keen to be fully involved in setting up and following the work of the Observatory, which should have sufficient financial and human resources available to accomplish its task. It should in particular aim to contribute towards the European social dialogue in, among other things, the sectoral committees.

On 7 December, the Committee reached agreement in principle on a draft code of conduct which will not only contain a reference to "core labour standards" but will also deal with three other areas: working hours, health/safety/hygiene and wages.

Cotance and ETUF:TCL have also launched two other projects - one for the creation of a data base on collective agreements

within their sector, and the other for demonstrating and applying good practice in health/safety/hygiene in tanneries in the European Union.

The partners also took a detailed look, together with representatives of the Com-

mission, at issues following on from Seattle: Cotance's complaints about Argentina, India and Japan, and unfair business practices.

Finally, the partners again called for their draft joint "action plan" for "improv-

ing competitiveness and employment in the sector" to be dealt with quickly by the Enterprise DG.

7 December 1999

4. Joint declaration by the social partners in the textile and clothing sector (Euratex and ETUF:TCL) on the sectoral dimension of the Observatory on industrial change

The social partners in the textile and clothing sector, at their own initiative, placed the Observatory on industrial change on the agenda for the meeting of the sectoral social dialogue committee on 22 November 1999.

The creation of an Observatory on the social and economic consequences of industrial change was proposed by a high-level group of experts set up following the closure of the Renault plant in Vilvorde in 1997.

The group, chaired by Mr Pehr G. Gyllenhammar (former President of Volvo), recommended the adoption of a strategy

of anticipation and prevention with regard to industrial change and employment.

The Vienna European Council of December 1998 supported the recommendations of the high-level group of experts and called on the Commission and the Member States to take appropriate action.

The sectoral social dialogue committee "Textile and clothing" feels that the Observatory on industrial change could constitute an important tool for the textile and clothing sector.

It should help boost the competitiveness of the European industry, particularly by identifying and forecasting needs and trends

in the fields of skills, training and employment. In this connection, the Observatory could also provide tangible support for the continuing modernisation of the sector.

The committee feels that the Observatory should be provided with resources for preparing sectoral analyses and forecasts. The employees' and employers' organisations should be involved in implementing and monitoring the Observatory's activities. This involvement of the social partners will help develop those activities, especially in the context of the sectoral social dialogue.

20 December 1999

5. Memorandum of CoESS and Euro-FIET on the award of contracts to private security companies in the public sector

1 The social partners in the European private security industry, CoESS (employers) and Euro-FIET (trade unions), have noted, as a result of a survey carried out by their respective members, that, depending on the country concerned, between 40% and 60% of business in the security services industry is in the public service sector. The survey also showed that in the very great majority of cases (85% - 100%) public authorities award these contracts on the basis of price alone.

2 These twin observations have persuaded CoESS and Euro-FIET, in the interests of raising professional standards in the industry, encouraging transparency and improving the quality of services, to adopt this joint recommendation and to put at the disposal of public authorities a handbook giving them all the necessary information to enable them to opt for the "most economically advantageous" quo-

tation as they are allowed to do under European Directive 92/50/EEC.

3 Although CoESS and Euro-FIET are aware of the budgetary constraints which face public authorities, they believe that the usual policy, which consists of awarding contracts to companies which put in the lowest bid, has a harmful and detrimental impact on the industry.

4 The existing competition within the private security sector pursuing public service contracts encourages companies to cut their prices to the detriment of the quality of their services, despite the fact that quality is recognised as an important element in client and user satisfaction.

5 The social partners are aware that in some cases companies do not hesitate to put themselves on the wrong side of the law, or at least come very close to doing so,

(failure to comply with legislation or collective agreements) in order to set the very lowest price in order to obtain a contract.

6 Given the size of the public service contract sector, such behaviour undermines all efforts at improving quality within the industry as a whole. It also contributes to the industry's rather negative public image, to poor professional standards and/or a failure to recognise rising standards in the business, to employees' dissatisfaction with their working conditions and to problems in attracting new employees.

7 CoESS and Euro-FIET believe that the importance given to price alone in awarding public service contracts is due, inter alia, to the following causes:

- insufficient transparency in the private security sector,
- a lack of means for analysing the quality aspect of services,

- the difficulties clients have in expressing their needs in terms of quality,
- an absence of instruments enabling the client to assess quality,
- difficulties in making quality comparisons between services offered by the industry.

8 In order to enhance the quality of services, CoESS and Euro-FIET have produced a handbook for adjudicating authorities. This handbook contains a checklist of criteria for assessing the quality of private security services,

drawn up jointly by the social partners. They have also explained the value to clients of taking these criteria into consideration. Finally, they have drawn up a system for quotes which enables bids to be assessed according to criteria of both price and quality.

9 CoESS and Euro-FIET stress that the handbook gives clients in the industry the flexibility they need, in line with the particular needs of the market, to weight price and quality criteria as they choose.

10 The handbook will be distributed as widely as possible to both public authorities and clients in the private security industry in the European Union. The social partners intend to organise information and awareness campaigns, to encourage as many people as possible to make use of the handbook.

10 June 1999

6. Joint declaration of CoESS and Euro-FIET on the future enlargement of the European Union to include the Central and Eastern European Countries

1 The social partners in the European private security industry, CoESS (employers) and Euro-FIET (trade unions), support all the efforts made to enlarge the European Union by including the Central and Eastern European Countries (CEEC). They believe that this new enlargement is essential to guarantee peace, democracy and economic and social development in Europe.

2 With regard to the private security sector, CoESS and Euro-FIET believe that preparatory work prior to the enlargement of the European Union should make it possible to avoid certain economic, political and social risks which may arise when workers and businesses accustomed to very different social and regulatory circumstances are drawn into competition with the other European Union countries.

3 Having analysed the private security sector in the CEEC, CoESS and Euro-FIET believe that a number of measures should be taken, by the social partners in these countries among others, to bring the sector closer to the situation found in Member States of the European Union.

4 Among these measures, CoESS and Euro-FIET believe that as a matter of urgency:

- the sector should be organised, supporting the establishment of free and representative organisations for the social partners (employers and trade unions) with mutual recognition at national, regional and local (company) level;
- these organisations should be encouraged to take part in the European social partners' organisations (CoESS and Euro-FIET) and become involved as much as possible in the work of the European social dialogue;
- a constructive social dialogue should be encouraged between these organisations at every level.

5 The social partners in the CEEC should also undertake to develop their social dialogue with a view to reaching concrete agreements. CoESS and Euro-FIET believe that this social dialogue should make it possible, as a matter of priority, to:

- define the parameters of healthy competition (respect for regulations, introduction of minimum standards of training, etc.);
- work with the public authorities to develop rules and standards for licences and

vocational training to provide a framework for the sector's activities;

- develop professional standards, and improve both working conditions and the image of the sector.

6 Given the challenges which lie ahead for the social partners in the CEEC, CoESS and Euro-FIET believe that those security companies based within the European Union which are investing in the CEEC market also have important responsibilities. They must be encouraged by the social partners to develop good social conditions for workers in their subsidiaries in these countries, and to improve the professionalisation.

7 CoESS and Euro-FIET declare that they are ready and willing to assume their share of the responsibility, and they undertake to organise regular monitoring of the private security sector in the CEEC, to develop their contacts with the CEEC social partners and to give these partners their support, assistance and aid to enable them to rise to the challenges posed by the future enlargement of the European Union.

11 June 1999

7. Joint declaration on the occasion of the conference in Warsaw

Union of Industrial and Employers' Confederations of Europe European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest European Trade Union Confederation

The organisations of European social partners welcome the initiative of the European Commission to gather representatives of trade unions' and employers' organisations from the Member States of the European Union, European Economic Area and from the candidate countries on 18 and 19 March 1999 in Warsaw.

Enlargement of the European Union to the East and South is a process of historical importance. It faces the candidate countries and the European Union with the double challenge of profound economic and social reform currently taking place in almost all candidate countries and of tak-

ing over the Community acquis.

The tasks to be fulfilled require active participation by social partners who must fully live up to their responsibilities by contributing to the enlargement process, both at national and European level.

In order to avoid endangering the process of structural reforms and of democratisation, implementation of the required structural reforms must take place in socially acceptable conditions. ETUC, UNICE/UEAPME and CEEP are convinced that social dialogue and participation of trade unions' and employers' organisations are necessary for the success of the

reform process and for the preparation to enlargement in the candidate countries.

CEEP, UNICE/UEAPME and ETUC invite the European Union and the governments of candidate countries to involve social partners, in an appropriate way, in the enlargement process. The Warsaw conference constitutes an important step in this respect. The social partners will examine the follow-up to be given in the context of this process.

18 March 1999

8. Joint declaration of HOTREC and ECF-IUF for the promotion of employment in the European hotel and restaurant sector

1. General considerations

1. The weight of tourism in the European economy

- a) Tourism is an important economic factor for the Member States of the European Union. Activities related to tourism account on average for 5.5% of GDP³ in all EU Member States. In some countries the percentage is much higher, for example Austria 14%, Greece and Spain 8%⁴.
- b) The total number of employees in the tourism sector in Europe is estimated to be around 9 million. This represents 6% of all employees. This figure, too, is higher in some countries, e.g. Austria 13.9%, Greece 10%, Spain 9.1%⁵.
- c) The more than one and a half million businesses of the hotel and restaurant sector represent more than half of the tourism industry, and provide over six million jobs. Within Europe as a whole

the hotel and restaurant sector employs 3.9% of the total work force, making it the fifth largest sector⁶.

- d) In addition to the direct employment mentioned above, many other jobs are related to the activities of the HORECA sector: in downstream and upstream activities (travel agencies, tour operators, transportation), in connected activities (sports, cultural tours and excursions), in the sector's suppliers (construction, renovation and production of agricultural produce and foodstuffs) as well as all the other establishments, which benefit from the influx of tourists (photo developers, cosmetic shops, etc.).

2. Employment in the tourism and HORECA sector

- a) The tourism sector is particularly important for employment as it is labour intensive and one of the very few which over the past decade has continued to

create even more jobs. The jobs created require a growing degree of professionalism and provide good career prospects for many.

- b) The tourism sector plays an important role in 'social insertion', for example by providing some with a first taste of working life (young people) and helping others to integrate (or reintegrate) into the working environment (housewives, unemployed, less skilled). The sector plays a crucial role in employment as it provides:
 - jobs for the highly skilled;
 - jobs for the less skilled;
 - jobs with flexible work patterns;
 - opportunities for men and women alike;
 - jobs for those just entering the labour market;
 - jobs in less developed areas (e.g. rural areas).

3. The European Observatory for SMEs, Fifth Annual Report, 1997.

4. The European Observatory for SMEs, Fifth Annual Report, 1997.

5. Tourism Policy and International Tourism in OECD Countries 1992-1993, 1995.

6. Labour force survey, Eurostat, 1995.

- c) The sector implies a high number of atypical jobs. This provides some with the flexibility of working a non-full-time or non-permanent job. A job in the hotel, restaurant and café sector can thus be complementary to other personal or professional interests. Such flexible forms of work and life organisation are increasingly sought after. Atypical jobs can be stepping-stones to full-time, permanent positions with the same employer.
- d) On the other hand, atypical employment is not attractive to those employees who prefer full-time, permanent jobs, because they need to earn their living. In some countries, non-full time jobs still entail disadvantages, for example, in terms of employment, restricted access to qualification and career opportunities, less job security. Although, it should be pointed out that considerable progress has been made by the social partners' agreements on part-time work and fixed-term contract which go a long way to redress these disadvantages.

3. Growth forecasts: a mixed outlook

- a) Forecasts for the development of employment opportunities in tourism are mixed. On the one hand, tourism overall will experience unprecedented growth between now and 2010. According to the WTO (World Tourism Organisation) and the OECD, tourism at an international level is expected to grow by 4% annually.
- b) The same forecasts predict that Europe will have the lowest growth rate of any region in the world. The top destinations in the world, which are now mainly European, will be replaced by international non-European competitors. Europe will benefit less from the international tourism boom and could conceivably lose its leading place in international tourism.
- c) The reasons for Europe's lag behind the rest of the world are manifold. However, there are aspects which the social partners may tackle at European level by recommending that the measures enumerated below be followed up by the EU institutions and the social partners at the appropriate level and thus help restore Europe's competitive edge in international tourism. Other aspects are better dealt with at national, regional or even local level and the present Framework Recommendation could act as a stimulus to such action.

4. Aims of the present declaration

- a) The European social partners in the hotel and restaurant sector, ECF-IUF

and HOTREC, want to contribute, within the framework of social dialogue, to the development of the European hotel and restaurant sector as a modern, efficient and competitive service industry with well-qualified and motivated employees and new employment opportunities.

- b) To this end, the social partners propose that measures to increase employment be taken from the following two angles:
 - an environment in which enterprises find the preconditions conducive to creating and sustaining quality jobs must be created;
 - pro-active initiatives must be undertaken by all parties involved to create employment focusing on attractiveness of jobs and careers and profitability of companies.

5. Subsidiarity

The European social partners, HOTREC and ECF-IUF, believe that, in full respect of the principle of subsidiarity, all actions to promote employment in the sector enumerated below must be taken at the most appropriate levels (EU, national, regional, local or enterprise).

II. An environment in which enterprises find the pre-conditions conducive to creating and sustaining jobs

In order to benefit from the forecast employment potential it is necessary to establish a working environment where the creation and maintenance of jobs is easy for enterprises.

1. Macro-economic conditions

- a) Macro-economic growth is a major prerequisite for the creation of jobs. Growth in the overall economy will have a positive impact on the purchasing power of the general population. This will be reflected in the consumption of goods and services which are particularly sensitive to prices, i.e. the services offered by hotels, restaurants and cafés. This will result in the creation of additional jobs so as to keep up with the increased output due to increase in demand.
- b) High unemployment and stagnant economic development erode the purchasing power of consumers and therefore have a negative effect on the level of consumption. This effect is especially marked with regard to the use of the services offered by the hotel, restaurant and café sector as these services are sensitive to purchasing power.

2. A level playing field

- a) Europe's competitiveness as a destination must be improved. In the 1970s, Europe attracted over 70% of international arrivals, but by 1998 barely 50%. The reasons for this are to be seen in a general reduction in air fares, the fact that more countries have opened up to tourists and that tourists are becoming increasingly adventurous and look towards new horizons.

In many cases, European Union destinations must compete directly with non-EU destinations (this is particularly true of the non-EU Central and Eastern European and Mediterranean countries). However, most of these non-European countries do not pay EU level VAT, energy taxes, environmental taxes, social charges, and the numerous other taxes and charges which burden European enterprises. Moreover, the competitor destinations often do not have the same level of stringency or enforcement when it comes to safety, health or social standards. Lastly, many of these competitor destinations benefit directly from European aid to promote them as a destination, even when their tourism industry is quite well developed. It is thus essential to review both the appropriateness and level of all these charges imposed on EU enterprises as well as develop the quality of our services which should help the EU's competitiveness as a destination. In the interest of fair competition, joint EU-non-EU minimum standards, particularly on specific social and environmental aspects (e.g. health and safety matters), should be considered.

- b) New forms of tourism, e.g. rural tourism, may contribute to the creation of additional jobs. However, these new forms of tourism must not arise at the expense of existing tourism businesses. Their emergence should be the result of market demands. In order to meet emerging market demands for new forms of tourism, the appropriate environment should be set in place so that existing tourism establishments may meet them. No form of tourism should be supported to the detriment of another.
- c) To avoid the erosion of fair competition with existing hotel and restaurant businesses, it must be ensured that the same trading conditions apply to all providers of tourism services, especially in rural areas, regarding taxation, licensing standards, employment law and employment protection regulations, as explained by the social partners in their joint declaration "Basic Principles and Guidelines

for the Improvement of Employment Opportunities in Rural Tourism" of March 1995.

3. Special consideration of the specific nature of hospitality and tourism

- a) Legislation adopted at European level must be designed to be easily applied by hospitality enterprises. For this, it is imperative to ensure that the legislation:
 - when possible, favours voluntary over compulsory measures;
 - is easy to understand and implement;
 - creates as little additional burden as possible;
 - takes into account the seasonal, atypical nature of the tourism sector;
 - is sensitive to the price elasticity of the sector.
- b) The majority of the businesses in the hotel, restaurant and café sector are small and very small enterprises. These need special support, e.g. in further training of employees and entrepreneurs. This is particularly true in the context of the adaptations which are becoming increasingly necessary with the advent of the Information Society and the trend towards increasing environmental protection.
- c) All Community programmes, particularly those intended for or open to tourism activities, must be simplified so that they may be made genuinely accessible to tourism SMEs. The complicated procedures, the multiple, overlapping and non-transparent layers of competence, and the bureaucratic language all act as deterrents to SMEs in the tourism sector from applying.

4. Alleviation of fiscal burdens

- a) The removal of fiscal burdens can facilitate the creation of additional jobs. For example:
 - VAT rates at the lowest level possible for the hotel, restaurant and café sector,
 - generalising the right to deduct the VAT on hotel and restaurant expenditure when these have been incurred for business purposeswould be two ways of promoting consumption of hospitality services and likewise the creation of jobs as stated by the social partners in their joint declaration "VAT Rates and Their Influence on Business and Employment" of September 1997.
- b) A step in this direction could be the application of the reduced VAT rate to labour-intensive industries as proposed by Commissioner Monti. In this regard, the social partners request that the restaurant sector be included on the list

of sectors which could benefit from an experimental VAT reduction as proposed by Commissioner Monti.

- c) The social partners call upon local, regional and national authorities to make a thorough assessment, in conjunction with the social partner organisations of the respective level, of the impact of numerous and often overlapping taxes set by different levels of administration. The aim of this assessment should be:
 - to identify those taxes which could act, directly or indirectly, as a disincentive to the creation of quality jobs;
 - to identify those taxes which increase the overall burden on an enterprise and thus reduce the possibility of reinvesting and could act, directly or indirectly, as a deterrent to job creation (for example taxes on terraces -pavement cafés-, bill-boards, 'taxe de séjour'/bed taxes);
 - to identify those taxes which, if lightened or alleviated, could have a sufficient impact on prices to increase demand and thus lead to job creation (for example VAT, energy taxes, beverage taxes and some environmental taxes).

The social partners furthermore call upon the competent public authorities to remedy any over-taxation which has been identified as creating a disincentive to job creation.

5. Alleviation of non-wage labour costs

- a) Among other elements, non-wage labour charges have made the cost of labour in the European Union rank among the highest in the world. These charges have especially negative effects on sectors with a high labour intensity such as the hospitality sector, as it might be an obstacle for enterprises to create additional jobs. This, among other things, leads to the perpetuation of long-term unemployment.
- b) These non-wage labour costs create large gaps between the cost of labour for the enterprise and the net disposable income of the employee. A lower disposable income reduces consumption and therefore overall growth of the economy and could eventually not lead to the creation of jobs.
- c) The social partners call upon the relevant public authorities to look into the impact of non-wage labour costs on job growth, from both a micro-economic and macro-economic perspective. They should consider measures to alleviate the cost of labour, especially for labour-

intensive sectors, which play a crucial role in social insertion such as the hotel, restaurant and café sector, without jeopardising the recovery of public finances or the financial equilibrium of social security schemes.

- d) Aside from the high non-wage cost level problem, another issue must be the broadening of the base on which non-wage costs are calculated in macro-economic fashion in order to reduce the non-wage cost on an individual salary. The areas where this should be achieved are in reducing unemployment and eradicating undeclared work, thus creating a larger base for spreading these costs.

III. Pro-active measures to promote employment

1. Creating attractive jobs and career opportunities

- a) The hotel, restaurant and café industry offers job opportunities for both skilled and unskilled workers. The hotel, restaurant and café sector provides many avenues for career advancement and personal fulfilment. In addition, the sector is one of the few which allows easy job entry and possibilities for career advancement for those who have not received formal post-secondary school education. But major parts of the industry face a high staff turnover and parts of the industry face persisting recruitment problems due to reasons which may differ between Member States, including:
 - a decrease in the number of people seeking work;
 - a mismatch between training/skills and requirements of specific jobs;
 - a decrease of inflow of young people due to demographic developments;
 - atypical working and employment conditions.
- b) That is why the social partners believe that it is important to create a working environment which focuses on attractiveness of jobs and career perspectives. This should also encompass the application of the principles of 'pro rata temporis' and 'non-discrimination' as specified in the Directive on part-time work. By these means, the hotel, restaurant and café sector could provide avenues for professional advancement and personal fulfilment. Employee satisfaction would increase and staff could be retained in the sector and/or company.
- c) Increasing employee satisfaction and loyalty would help to improve the quality

of services and would contribute to creating a more positive image of the hotel or restaurant sector.

2. The importance of training and improving skills

- a) An important prerequisite for increasing employment in the hotel and restaurant sector is a continuing process towards improving the level of training and qualifications and striving towards a constant improvement of trade practices and skills of both employees and employers, particularly as the entrance qualifications are low.
- b) Training should be made an elementary part of the strategic and investment planning of companies. Investment in human resources should not just be seen as a cost factor; the qualification of employees should be regarded as a priority. Participation in continuous training programmes should also be possible for appropriate workers in atypical jobs. Men and women should have equal access to vocational and continuous training in order to foster equal opportunities.
- c) A facilitated access to innovative management techniques for entrepreneurs, particularly of SMEs, is also necessary for the promotion of employment opportunities in the sector.
- d) The introduction of new technology, environmental programmes and the restructuring of businesses will lead to the availability of new types of job in the sector. The social partners will together develop new ideas and seize initiatives, e.g. in the identification of new training requirements.
- e) In order to improve the employability of young and/or long-term unemployed, the social partners, at their various levels of responsibility, should look into the possibility of offering additional opportunities for training, work experience, traineeships, etc.
- f) Of particular importance in this regard is the introduction of the euro. The social partners would welcome all initiatives by European, national, regional and local authorities to undertake training programmes and the like, for both employers and their staff, to facilitate the transition to the euro in participating countries.

3. Flexible working time arrangements

- a) The level of non-full-time employment as a proportion of total employment is

increasing in most European countries. As stated by Eurostat a majority of persons in part-time jobs are in them because they do not wish to have a full-time job⁷. This development in working time patterns is a response to both market and labour demand. As in any service industry there is a variety of types of employment relationships in the hotel and restaurant sector. Non full-time work can be attractive for employees because it provides an opportunity to put into practice the more satisfactory combination of work and family which many employees desire, and in addition to take into account individual leisure and personal growth aspirations. If flexible work organisation models are implemented they must meet employers' needs and be attractive to employees.

- b) The creation of additional full-time jobs –if possible– remains a top priority. While economic conditions are the determining factor in job creation, the social partners should look for solutions which increasingly meet the expectations of employees. Forms of flexible working hours should be subject to agreements between the social partners/negotiating parties, as stated by the social partners in their joint declaration "Flexible Working Hours and Work Patterns: Part-Time Working and the Creation of Jobs" of June 1995.
- c) The social partners should look into the possibility of elaborating concepts which combine the enterprises' needs for flexibility with the workers' needs for security.

4. Mobility in the sector

- a) The sector is characterised by a high staff mobility. To facilitate worker mobility within the sector, the transparency of curricula, mutual recognition of diplomas and of qualifications achieved would be extremely advantageous to employers and employees alike.
- b) To facilitate mobility within the European Union, it is crucial to remove the uncertainty people face with regard to:
 - pension rights;
 - social security;
 - administrative requirements which can act as obstacles;
 - rights and obligations of an enterprise to post a worker to another Member State; when workers wish to exercise their freedom of movement within the European Union.

In this regard, the social partners welcome the Commission's initiatives:

- to safeguard the occupational and supplementary pension rights of workers making use of their free movement;
- to co-ordinate social security for EU nationals and extending this to non-EU nationals;
- on the posting of workers, both EU and non-EU nationals, in the context of the Single Market.

The social partners also call upon the competent national authorities to undertake a general streamlining of the various administrative requirements imposed on EU nationals making use of their right to free movement.

IV. Role of social partners at European level - institutional context

The social partners welcome the Commission Communication "Adapting and promoting the Social Dialogue at Community level" of 20 May 1998, particularly as it:

- gives priority to the sectoral social dialogue;
- emphasises the importance of the role of sectoral social partners in the formulation and implementation of sectoral policies;
- puts all sectoral social dialogues on a formalised and equal footing;
- underscores that sectoral agreements between the social partners should take their place alongside European legislation in the development of social policy.

1. Co-operation within the sectoral social dialogue

The social partners jointly call for the implementation of the above measures and principles and will, among other things, to this end:

- regularly exchange information and opinions;
- issue joint declarations;
- conduct joint projects, such as assessing the feasibility of a qualifications passport, surveying the systems of flexible working time agreements;
- organise joint seminars on topical issues to exchange information and points of view.

2. Social partners in light of the Social Protocol

ECF-IUF and HOTREC expect from the European Commission that, as the social partners in the hotel and restaurant sector,

7. Statistics in Focus: "Population and Social Conditions" – Part-time Work in the EU, Eurostat, 1997.

they will be fully consulted at both stages defined in Articles 118a and 118b of the Amsterdam Treaty on all developments at Community level having social implications.

3. Role of the European Commission

The social partners emphasise that the European social dialogue makes a significant contribution to the promotion of contact and co-operation between employees, employers and their organisations.

This represents an important contribution to a balanced development of the hotel and restaurant sector in Europe and the maintenance and promotion of employment and viable businesses. Consequently the social partners herewith remind the European Commission of the necessity for continuing to actively support the social dialogue within the sector.

The social partners are prepared to take over the tasks entrusted to them in the

Commission Communication "Adapting and promoting the Social Dialogue at Community level" and the Commission Decision on the establishment of sectoral dialogue committees promoting the dialogue between the social partners at European level.

3 May 1999

